

MARYLAND'S CONSOLIDATED TRANSPORTATION PROGRAM

Maryland's economic well-being and its citizens quality of life is directly impacted by the transportation system that moves people and commerce throughout its infrastructure. As Maryland's citizens stroll along picturesque streetscapes in revitalized communities throughout the State, fly out of Baltimore-Washington International Airport, travel through the Ft. McHenry tunnel or over the Chesapeake Bay on the William Preston Lane, Jr. Bridge, use a HOV lane or express bus, receive cargo through the Port of Baltimore, travel on scenic I-68 through Western Maryland, or renew their Driver's License without having to visit an MVA office – Maryland's transportation system touches our lives everyday.

Maryland's transportation system influences Maryland's economy, environment, communities, and its overall quality of life. Efforts to maintain the safety, efficiency and condition of this transportation system demand constant attention. This includes thousands of miles of highways and transit routes, a major international airport, a thriving port and the servicing of millions of customers.

Every year, the Maryland Department of Transportation releases the State Report on Transportation (SRT) – a vision of what the transportation system should be and a plan of how that vision will be achieved. The first part of this report, the Maryland Transportation Plan (MTP), sets a vision with goals and policies to guide transportation decision making over the next 20 years. The MTP is updated every three years to reflect changes in transportation policy priorities. The last update occurred in January 2002 and re-affirmed the direction set in the prior plan – providing mobility while supporting other State priorities, such as protecting Maryland's transportation investments, revitalizing Maryland communities and advancing our economy.

As a companion piece to the SRT, MDOT publishes an Annual Attainment Report on Transportation System Performance. The report documents how MDOT is achieving its goals and objectives based on a series of performance indicators. The performance indicators presented in the report are also intended to help MDOT management – and MDOT stakeholders – better understand and assess the relationship of investments in programs and projects with the services and quality those investments produce.

This document, the Consolidated Transportation Program (CTP), is the second section of the report. It describes ongoing and new capital programs to be implemented over the next six years, and how the Department will fund these programs to achieve its goals. Every year, the draft CTP is presented to local elected officials and citizens throughout Maryland for comment. Then, it is revised and submitted with the Governor's budget to the General Assembly in January, for approval.

This year's economic situation continues to present funding challenges. In recent years, Maryland's CTP has grown significantly, with billions of dollars in projects added. This year, as the nation slowly recovers from the recession, the size of the CTP continues to decrease. The loss of \$205 million in General Fund revenues for the Woodrow Wilson Bridge and the Metro Addison Road Extension projects and the transfer of over \$300 million Transportation Trust Fund revenues to address the General Fund deficit has had significant impacts throughout the CTP. Numerous projects have been deleted, delayed or deferred due to this significant loss of revenue. The challenge is to acquire funding to restore these projects and to prepare for the next wave of projects that are ready to move into the construction phase. In addition we need to ensure that an adequate level of funding is available to maintain and preserve our existing transportation system.

Maryland's Consolidated Transportation Program remains a unique, flexible funding tool, developed with considerable local input, and designed to address a multitude of system needs. By having all transportation systems funded under one trust fund, MDOT can direct resources to specific needs, and seek multi-modal solutions, looking for the best mode or modes of transportation to address specific problems. In addition, the Annual Capital Program Tour provides a unique venue to gather public input from every jurisdiction in the State.

The following pages provide some background on how to read this document, how the public can get involved, how funding decisions are made and some of the highlights of this year's budget.

MDOT PRIORITIES: HOW THIS BUDGET AFFECTS YOUR COMMUNITY

Maintaining the system

Keeping Maryland's transportation system safe and in good condition are top priorities of MDOT. Much of this year's transportation funding is directed at maintenance of existing facilities. While there are needs for expanding capacity, preservation of the existing system is an ongoing necessity; roads must be re-paved, safety improvements made, aging bridges rehabilitated and buses and trains repaired or replaced.

Mobility

The core of MDOT's mission is mobility. This means getting people and goods to destinations and markets. The CTP includes capital projects that preserve and enhance a transportation system to accommodate intrastate, interstate and international travel and to facilitate commerce. These projects are Maryland's investment in our highway, transit, port and aviation facilities that assure a safe and efficient transportation system.

Smart Growth

This initiative protects Maryland's farmland, open space and existing communities from sprawl. MDOT uses the CTP as a Smart Growth tool to revitalize communities and slow sprawl. Smart Growth means focusing our resources in existing communities and where growth can best be accommodated. It means we pay special attention to congestion management, commercial area and neighborhood revitalization, pedestrian and bicycle facilities, noise mitigation, landscaping and aesthetic designs, improving access to transit and environmental justice.

Increasing Transit Ridership

For some, transit provides a viable transportation option to the automobile and can provide some congestion relief. Over the next few years, MDOT's transit program will implement Smart Card and other cutting edge technology, simplify the base transit fare structure around the state, purchase new buses and rail cars to provide customers with a better ride, expand existing services to better connect people and opportunities, and develop new transit options including neighborhood shuttles.

Preservation and safety are top priorities



Creating the next generation of transit



Economic Development

Maryland's transportation system plays a crucial role in the State's ability to attract investment and business. Ports, airports, highways and transit systems are all vital in moving people and goods. MDOT uses its resources to develop and maintain a transportation network that moves goods, retains and expands employment and promotes business and leisure travel and tourism. MDOT recognizes the importance of moving freight safely, reliably, and efficiently within and through the State, as well as the need to promote the services of the Port of Baltimore and BWI cargo facilities.

Environment

The Maryland Department of Transportation is committed to protecting the environment. The Department ensures that State transportation activities are consistent with goals for restoring the Chesapeake Bay and achieving health-based air quality standards. MDOT prides itself in being forward-thinking in terms of addressing environmental concerns on both the program and project levels, in daily operations, and through public outreach.

Transportation choices

MDOT strives to provide the traveling public with options to the single occupant vehicle. Besides improving transit, MDOT upgrades pedestrian and bicycle facilities to increase the public's transportation choices. Whenever possible, the Maryland State Highway Administration constructs sidewalks as part of the overall project, along new or expanded facilities as well as adding sidewalks to existing State facilities. MDOT recently released the State's first Bicycle and Pedestrian Access Master Plan. MTA allows bicycles on the Baltimore Metro and light rail, as does WMATA on Metrorail in the Washington area, except on crowded trains. Bicycle lockers are available for rent at selected stations. In Maryland's most congested areas, MDOT also promotes ridesharing and teleworking.



Expanding and upgrading BWI

Security

After the events of September 11, 2001, security is foremost in everyone's minds. MDOT is committed to providing a safe and secure transportation system. Virtually every mode has instituted improved safety measures. The Maryland Port Administration received a \$3.3 million federal grant for terminal access security at Dundalk Marine Terminal. The Transportation Security Administration has designated BWI as a pilot airport to test new security equipment and measures. These are just a few of the vast number of heightened security measures that are being implemented throughout the Department.

Air Quality

The Maryland Department of Transportation is committed to a healthy environment and improving air quality throughout the State. MDOT continues to work to ensure that the State's transportation program for Maryland will be consistent with federal Clean Air Act requirements and that, as a consequence, federal transportation funding for State projects will continue uninterrupted.

Addressing air quality challenges in Maryland requires a considerable investment in emission reducing transportation measures. As possible consequence of tightening federal air quality standards, for future capital programs there may be a need, over time, to put even more emission-reducing transportation measures in place.



Providing transportation choices

WHERE THE MONEY COMES FROM...

Maryland's transportation system is funded through several dedicated taxes and fees, federal aid, operating revenues, and bond sales, which are all earmarked in the Transportation Trust Fund (TTF). This fund is separate from the State's General Fund, which pays for most other State government programs.

Essentially, our customers pay user fees for transportation infrastructure and services, through motor fuel taxes, vehicle titling taxes, registration fees, operating revenues and corporate income taxes. Federal-aid and the motor fuel tax are the two largest sources of revenue. Operating revenues include transit fares and usage fees generated at the Port of Baltimore and BWI Airport. Maryland Transportation Authority funds and General fund revenues can also be transferred to the Trust Fund under special circumstances.

Total projected Trust Fund revenues amount to \$15.4 billion for the six-year period covered by this CTP. These are based on assumptions that the economy will continue on average along a moderate growth scenario for the next six years. (For more on revenue projections and economic assumptions, see pages A-8 through A-10)

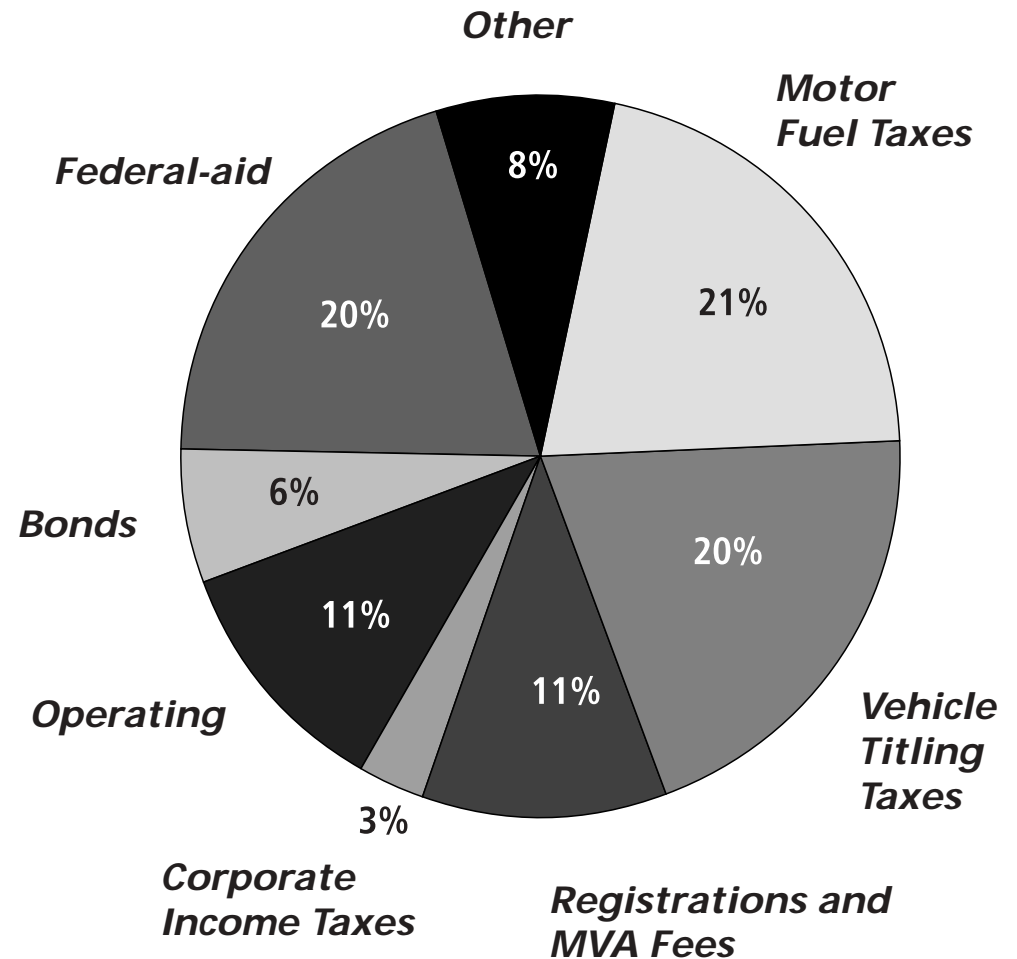
WHERE THE MONEY GOES...

The TTF supports operation and maintenance of State transportation systems, MDOT administration, debt service and capital projects. A share of these funds is dispersed among Maryland's counties and Baltimore City for local transportation needs.

After operating costs, debt service, and local distributions, the remaining money goes towards capital projects. This document, Maryland's CTP, is the six-year capital budget for all State transportation projects.

This FY 2003-2008 CTP totals about \$8.2 billion: \$7.1 billion of which comes through the Trust Fund and \$1.1 billion from "Other" fund sources.

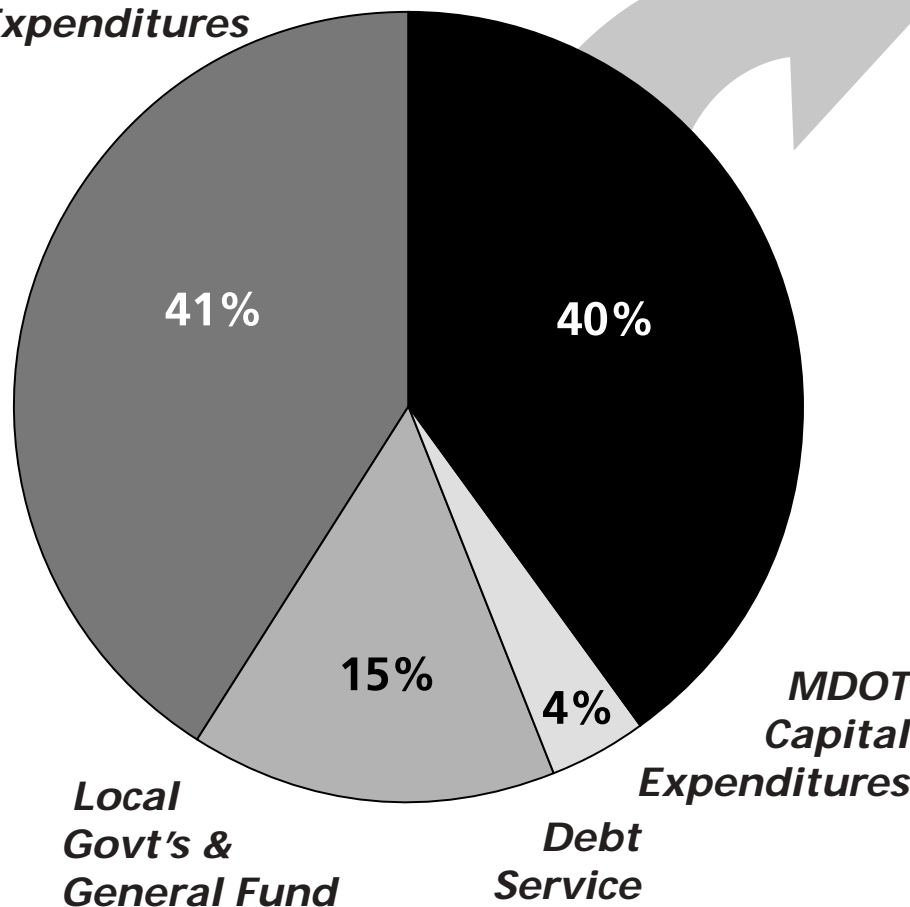
Transportation revenues:



TRANSPORTATION TRUST FUND:

Where the revenues go...

**MDOT
Operating
Expenditures**



Capital expenditures

FY 2003-2008 CTP SUMMARY (\$ MILLIONS)

	STATE FUNDS *	FEDERAL AID	OTHER**	TOTAL	PERCENT OF TOTAL
TSO	95.6	30.3	-	125.9	1.5
MVA	114.0	-	-	114.0	1.4
MAA***	433.2	107.1	522.3	1,062.6	13.0
MPA	397.7	3.2	-	400.9	4.9
MTA	471.8	750.4	6.2	1228.4	15.0
WMATA****	505.8	89.0	583.4	1,178.2	14.4
SHA	1,670.4	2,389.8	-	4,060.2	49.7
TOTAL	3,688.5	3,369.8	1,111.9	8,170.2	100.0

*Special Funds through the Transportation Trust Fund, no longer includes General Fund appropriations for two large projects.

** Funds not received through the Trust Fund. Includes funds from MD Transportation Authority, Passenger Facility Charges, Customer Facility Charges, Maryland Economic Development Corporation (MEDCO) and federal funds received directly by WMATA.

*** PFC funds are being shown as State Dollars but will be reimbursed on a PAYGO basis.

**** Federal funds for Addison Road now go directly to WMATA and are now included in "Other Fund" Total.

TSO – The Secretary's Office
MVA – Motor Vehicle Administration
MAA – Maryland Aviation Administration
MPA – Maryland Port Administration
MTA – Maryland Transit Administration
WMATA – Washington Metropolitan Area Transit Authority
SHA – State Highway Administration

SHAPING MARYLAND'S TRANSPORTATION SYSTEM

The Public's Role

When developing Maryland's transportation system, MDOT seeks public input while assembling the Maryland Transportation Plan, preparing the CTP, studying possible projects and designing facilities.

The Maryland Transportation Plan, the department's guiding document, reflects the concerns of our customers – the Maryland public that uses the transportation system on a daily basis. The plan is created with inclusive public participation and input through such processes as telephone surveys, leadership interviews, workshops, and consultation tour meetings. The public also comments on the draft plan before the Governor adopts the final version.

The public and local governments also have an important role in shaping the CTP. Every fall, the Secretary tours each County and Baltimore City to receive input on local priorities. Jurisdictions submit priority lists. Regional bodies also provide input. Projects are more likely to be funded if there is a local consensus behind it. Local input is considered when revising the program before it is submitted to the Governor. The Governor then includes the CTP with his budget submission to the General Assembly in January.

Through-out the year, the public has many other opportunities to review and comment on specific projects, such as public meetings during planning and environmental review phases. State planners and engineers also work with the public to design projects that reflect sensitivity to the context of the surrounding community and environment.

For information on projects, call the MDOT's Office of Planning and Capital Programming, which assembles the CTP, at 410-865-1275; TTY for the Deaf 410-865-1342. For more information on MDOT and links to each of the modal administrations, visit <http://www.mdot.state.md.us>.

Evaluations

Every year, the Secretary of MDOT works with the Department's modal administrators to determine which projects to add to the CTP or to advance. MDOT looks at the need for the project based on the level of service, safety,

maintenance issues, and economic development. Then, the project is evaluated for consistency with MDOT goals and objectives. The availability of funding, including federal funds, is evaluated. Also, input by local officials is a major consideration.

Planning

Transportation planning and programming in Maryland also is influenced by a number of federal and State legislative initiatives including TEA-21, Clean Air Act Amendments, the Maryland Economic Growth, Resource Protection and Planning Act and the Maryland Smart Growth Act.

Smart Growth calls for State infrastructure spending to be directed into designated growth areas – existing communities and areas planned locally for new growth. In the CTP, major capital project descriptions list whether it is within a Smart Growth Area or if the project appears subject to an exception provision of the law. Also, as new projects are planned, each modal administration conducts an analysis to determine the consistency of the project with local plans and State development policies. Inconsistent projects are modified to be consistent or are terminated. All new projects added to the FY 2003-2008 CTP are subject to this review.

Working with the public



HOW TO READ THIS DOCUMENT

The Maryland Department of Transportation is divided into agencies responsible for different modes of travel. These are referred to as the Department's modal agencies or modes. Projects in the CTP are listed under the mode responsible for them. Within the State Highway Administration section of this document, projects are listed by jurisdiction.

For each major project, there is a Project Information Form (PIF). Each PIF contains a description of the project, its status, its justification, and its compliance status with Smart Growth. It also shows any significant change in the project since the last budget approved CTP. A chart shows funds budgeted over the six-year cycle. This is general information and is not intended to provide specifics such as alignments, status of environmental permitting, or alternatives under study.

Funding Phases

Planning - Once a proposal is funded for project planning, detailed studies and analyses are conducted to evaluate the need for the project and to establish the scope and location of proposed transportation facilities.

Engineering - The next phase for funding is the engineering phase. These projects undergo planning and environmental studies and preliminary design. These projects, having been more thoroughly evaluated than those in Project Planning, are candidates for future addition to the Construction Program and are more likely to be built.

Right-of-Way - This funding is approved at different points during the project, to provide the necessary land for the project or to protect corridors for future projects.

Construction - This last stage includes the costs of actually building the designed facility. Construction does not begin until a project receives necessary environmental permits, the State meets air quality requirements, and contracts are bid.

A project listed in a PIF may not be a specific facility. It also could include corridor studies, which look at multi-modal solutions to transportation needs. One example is the Capital Beltway Corridor Transportation study, which is evaluating High Occupancy Vehicle lanes and transit improvements.

The CTP also contains lists of minor projects which are smaller in scope and less costly such as resurfacing roads, safety improvements, sidewalks and bicycle trails.

Following this introduction are other lists, which can help the reader understand changes in the CTP. One shows significant changes from last year's CTP. It lists major projects added to the CTP or projects that have advanced to a new stage of development. It also lists changes in construction schedules and projects removed from the CTP.

Also, there is information regarding the economic trends and assumptions the CTP is based upon and more information about revenue projections.

STATE HIGHWAY ADMINISTRATION - Montgomery County - Line 7

PROJECT: US 29, Columbia Pike

DESCRIPTION: Construct a new interchange at Briggs Cherry Road at intersection.

JUSTIFICATION: Rapid development along the US 29 corridor has re-located. An interchange at this location will address falling levels of economic development.

SMART GROWTH STATUS:

Project Not Location Specific or Location Not Determined
☐ Project Within PFA ☐ Project Outside PFA, Subject to Exception Approved by SHPM

ASSOCIATED IMPROVEMENTS:

EastWest Intersection Improvement Program (Construction Program)
 EastWest Link Improvement (SAS Program)
 US 29 Interchanges (Construction and SAS Programs)
 MD 29 MD 188, MD 87 to US 29 (SAS Program)

STATUS: Final Engineering underway. Right-of-way to begin during 2002.

SIGNIFICANT CHANGE FROM FY 2000 - 2001: None.

POTENTIAL FUNDING SOURCE:

PHASE: Planning, Engineering, Right-of-way, Construction, Total

ESTIMATED COST (\$000): 0, 2,709, 8,258, 27,881, 38,848, 32,080

EXPENDITURE YEAR: 2001, 2002, 2003, 2004, 2005 - 2006

CURRENT YEAR: 0, 30, 0, 0, 22, 14

BUDGET YEAR: 0, 728, 1,000, 1,100, 1,100, 778

FOR PLANNING PURPOSES ONLY:

2000, 2001, 2002, 2003, 2004, 2005, 2006

0, 0, 888, 3,300, 9,284, 9,284, 7,584, 6,915, 7,248, 28,152, 3,388

SR BALANCE TO YEAR COMPLETE:

0, 2,559, 0, 8,258, 0, 23,580, 23,580, 24,618, 24,618, 28,152, 3,388

PROJECTED (2006) - 32,000

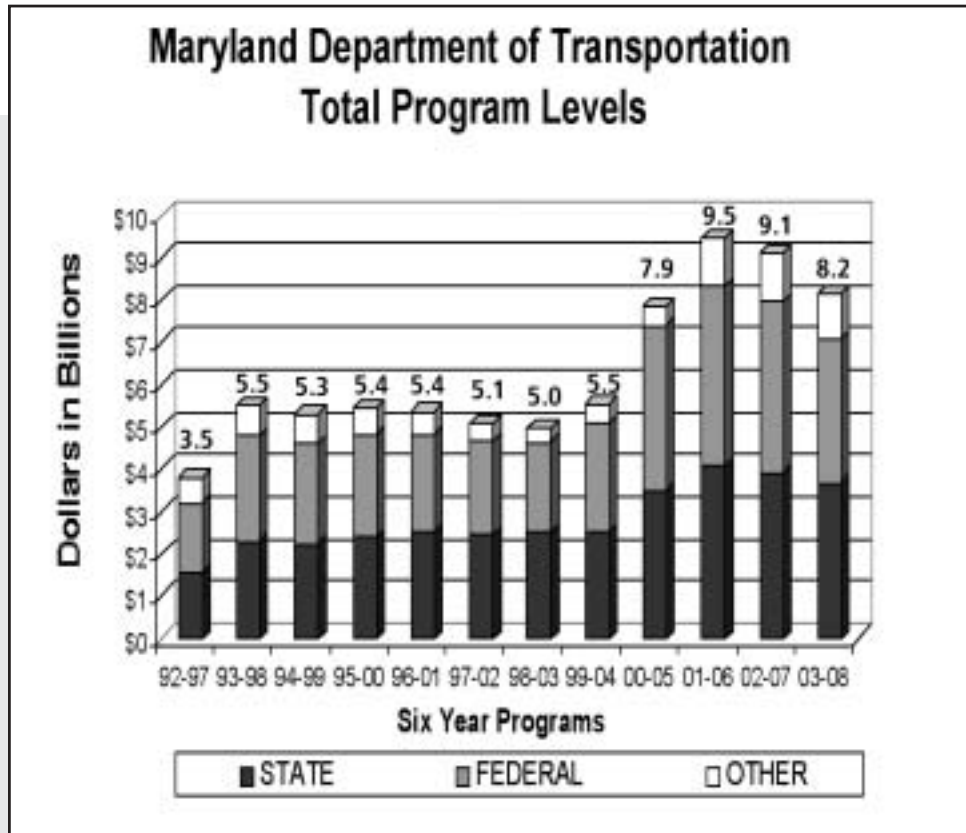
OPERATING COST IMPACT: 0

STIP REFERENCE # H2048 12/01/2000

A PROJECT INFORMATION FORM

PROGRAM HIGHLIGHTS

The FY 2003-2008 CTP totals about \$8.2 billion. Approximately 41 percent of this capital program will be supported by federal funds, predominately for highway and transit projects.



Economic Trends and Assumptions

The Department's revenue and operating cost projections are based on a long-term "moderate growth" scenario for the nation's economy. The major trends and assumptions are as follows:

The long-term (6-year) trend in bond interest rates is projected to fluctuate within a range from 4.6 percent to 5.2 percent during the program period with inflation between 2.0 to 2.6 percent annually.

The nation's economy is expected to experience, after a mild recession, a period of sustained growth. As it begins an economic recovery, it is projected to continue to have "business cycles" with:

- No more major external events,
- No major changes in the law or operating responsibilities of the Department, and
- A historical relationship between national economic activity and the level of Department tax revenues continuing through the forecast period.

There are plentiful supplies of gasoline in the marketplace. Gasoline consumption is projected to increase 1.1 percent in FY 2003, increase 2.1 percent in FY 2004, and increase about 1 percent thereafter.

Auto sales had been increasing consistently due to the combination of good economic conditions and increased consumer confidence. In FY 2002 a surge of sales occurred with the introduction of 0% financing. For FY 2003 and beyond, they are expected to return to their normal cyclical pattern throughout the forecast period.

REVENUE PROJECTIONS

Total projected revenues amount to \$15.4 billion for the six-year period. This estimate is based on existing revenue sources used by MDOT and includes bond proceeds and federal funds. The projection does not assume any future State tax increases. Pertinent details are as follows:

- **Opening Balance:** It is the goal of the Department to maintain a \$100 million fund balance over the program period to accommodate the Department's working cash flow requirements throughout the year.
- **Motor Vehicle Fuel Tax:** This is projected to be \$3.0 billion over the six-year period. Motor fuel taxes include the 23.5 cents per gallon gasoline and the 24.25 cents per gallon diesel fuel.
- **Motor Vehicle Titling Tax:** This is projected to yield \$3.2 billion. The titling tax of 5 percent of the fair market value of motor vehicles is applied to new and used car sales and to vehicles of new residents. This revenue source has cycles with periods of decline and growth. It is projected that the six-year planning period will experience a normal business cycle around an underlying upward trend.
- **Motor Vehicle Registration, Miscellaneous, and Other Fees:** These fees are projected to generate \$1.5 billion. This forecast assumes the combination of reduced growth in registered vehicles and change to a heavier vehicle mix will increase the revenues an average of 2.5 percent every two year cycle.
- **Corporate Income Tax:** The transportation share of corporate income tax revenues is estimated to be \$489 million. The Department receives a portion (approximately 24 percent) of the 7 percent corporate income tax.
- **Federal Aid:** This source is projected to contribute \$3.6 billion for operating and capital programs. This amount does not include \$583 million received directly by Washington Metropolitan Area Transit Authority. The majority of federal aid is capital, only \$244 million is for operating assistance. Since federal aid supports approximately half of the capital program, a more detailed discussion of federal aid assumptions is presented in the next section of this summary.

- **Operating Revenues:** These revenues are projected to provide a six-year total of \$2.2 billion, with \$654 million from MTA; \$509 million from MPA; and \$987 million from MAA. MTA revenues primarily include rail and bus fares. MPA revenues include terminal operations, the World Trade Center, and other port-related revenues. MAA revenues include flight activities, rent and user fees, parking, airport concessions, and other aviation-related fees. These revenues are forecast to include additional revenues from the garage and terminal expansion.
- **Bond Proceeds:** It is projected that \$1.3 billion of bonds will be sold in the six-year period. The level of bonds which can be issued is dependent on the net revenues of the Department. This level of bonds is affordable within the financial parameters used by the Department.
- **Other Sources:** The remaining sources are projected to provide \$75 million. These sources include income from trust funds, reimbursements, and miscellaneous revenues. The transfer of \$205 million from the State's General Fund account for two large capital projects as previously planned will not occur.

Federal Aid Assumptions

The Transportation Equity Act for the 21st Century (TEA-21) authorized funding levels for transit and highways for federal fiscal years (FFY) 1998 through 2003, and represented a significant change in the way the funds are distributed and used. TEA-21 authorized a minimum level of guaranteed highway and transit funding which has resulted in significantly higher funding than previous acts. This is not expected to be the case with the next reauthorization. Levels are expected to remain about the same or perhaps be slightly lower.

The ability to complete the program as scheduled, will, of course, depend upon actual federal appropriations. Transit funding is of particular concern. An estimated 50 percent of the transit funds are discretionary and are dependent on annual appropriation earmarks.

Specific federal aid assumptions and issues relating to the Department's program are detailed as follows:

Transit: The FFY 2003 FTA Urbanized Area capital assistance for Baltimore, Washington and Small Urban Systems for Bus, Metro, Light Rail, and MARC is \$53.2 million. An annual estimated amount of \$53 million is assumed for the FFY 2004.

The MTA has assumed an average annual amount of \$29 million from FFY 2003 to FFY 2004 for rail modernization funds.

The TEA-21 authorizes a maximum of \$185 million in New Starts funds for MARC improvements for FY 1998 to FY 2003. The actual appropriation for MARC was \$31 million in FFY 1998, \$17 million in FFY 1999, \$2.2 million in FFY 2000, \$10 million in FFY 2001, \$12 million in FFY 2002, and \$14 million is estimated for FFY 2003.

TEA-21 authorizes \$120 million for Baltimore Central Light Rail Double-tracking. There was an appropriation of \$1.0 million in FFY 1999, \$4.7 million in FFY 2000, \$3 million in FFY 2001, \$13.0 million in FFY 2002, and an estimated \$24 million in FFY 2003. A Full Funding Grant Agreement was approved in July, 2001. The Department has estimated future federal appropriations of \$98.3 million over the program period.

Highways: Federal highway programs are authorized by multiple-year legislation. The funds authorized and apportioned to the states are subject to annual ceilings which determine how much of the authorized money can be obligated in a given year. This ceiling is referred to as Obligation Authority (OA) and is imposed by Congress annually in response to prevailing economic policy. Under ISTEA, which authorized funds from federal fiscal year 1992 through federal fiscal year 1997, OA ranged from 80.5 percent to 105.3 percent. This CTP assumes the level of OA from TEA-21 at 87 percent of apportioned funds for FFY 2002 and thereafter.

The Department has taken advantage of a TEA-21 provision to proceed with some federal aid projects now even though federal aid will not be available until later. This "advanced construction" provision allows the use of State funds now, which will later be reimbursed with federal aid as it becomes available. This is done for selected projects in an effort to start construction as early as possible to help meet specific highway needs.

Transfers between federal funding categories allowed under TEA-21 is assumed in order to match available federal aid to the schedule of qualifying projects.

Washington Metropolitan Area Transit Authority: WMATA receives federal formula funds (80 percent federal share) for bus and rail preservation activities. The annual amount of these funds is based on actual and projected federal funding levels provided under TEA-21.

TEA-21 authorizes construction of the Addison Road to Largo Extension of the Washington Metro. There was an appropriation of \$1 million for the extension in FFY 1999, \$4.7 million in FFY 2000, \$7.5 million in FFY 2001, \$55 million in FFY 2002 and an estimated \$60 million in FFY 2003. A Full Funding Grant Agreement was approved in December of 2000, and an estimated \$60 million in FFY 2003. As a result, the Department will receive an additional \$192.9 million of federal funds for the project.

In addition to federal funds received directly by WMATA, MDOT has budgeted additional Congestion Mitigation and Air Quality federal funds to be used by WMATA for critical preservation activities.

Aviation: Federal entitlement and discretionary funding for airport projects are currently provided by the Federal Aviation Administration through the Airport Improvement Program (AIP). It is assumed that entitlement funding calculated using enplanement and cargo-based formulas for BWI will total \$18 million for the six-year program period.

The MAA anticipates an additional \$91 million in new discretionary AIP funding for BWI and Martin State Airports during the six-year program period. If discretionary funds are not forthcoming as assumed, the schedule of impacted projects will be adjusted accordingly.